



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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May 17, 2016

TO: Sachi A. Hamai
Chief Executive Officer

FROM: John Naimo 
Auditor-Controller

SUBJECT: **FISCAL YEAR 2015-16 THIRD QUARTER REPORT ON CHARGES TO
PROVISIONAL FINANCING USES FOR BOARD-DIRECTED
ASSIGNMENTS/AUDITS OF GENERAL FUND DEPARTMENTS**

Beginning in Fiscal Year (FY) 2010-11, the Chief Executive Office set aside \$1 million a year in Provisional Financing Uses (PFU) to fund Board-directed Auditor-Controller audits of General Fund departments.

On November 19, 2015, the Audit Committee requested that we provide a quarterly report on the actual cost of the Board-directed audits. Attached is a summary of the costs for FY 2015-16 Board-directed assignments/audits as of March 2016 and their projected costs. The current projected cost of \$1,372,000 exceeds the \$1 million funding by \$372,000. We will continue our practice of reporting the cost of the individual Board-directed audits separately from the actual audit reports.

Please call me if you have any questions, or your staff may contact Elaine Ma, Budget & Fiscal Officer, at (213) 974-7605.

JN:LC:CL:EYM:ap
FY 2015-16 PFU Report - Cover Memo 3rd Qtr.docx

Attachment

c: Audit Committee
Chief Executive Office
Sid Kikkawa
Gevork Simdjian
Brian Mahan

**DEPARTMENT OF AUDITOR-CONTROLLER
BOARD-DIRECTED ASSIGNMENTS/AUDITS COSTS
FUNDING FROM PROVISIONAL FINANCING USES (PFU)
FISCAL YEAR 2015-16**

BOARD-DIRECTED ASSIGNMENTS (PFU)	AS OF MARCH 2016	ESTIMATED COSTS AT YEAR END
BOARD-DIRECTED ASSIGNMENTS - COMPLETED		
Assessor: Management Audit Recommendation Follow-Up 3	\$ 20,890.88	\$ 20,890.88
Living Wage Annual Report	\$ 2,301.45	\$ 2,301.45
Living Wage Increase	\$ 876.75	\$ 876.75
Local Small Business Preference Program	\$ 547.97	\$ 547.97
Mental Health Diversion Program	\$ 24,823.75	\$ 24,823.75
Mental Health Diversion Program - Phase II & III	\$ 12,941.37	\$ 12,941.37
Probation: Budget, Fiscal, and Personnel Review		
- A-C Staff Cost	\$ 58,649.81	\$ 58,649.81
- Contractor Cost ⁽¹⁾	\$ -	\$ -
Sheriff's: Cell Phone Review	\$ 29,751.67	\$ 29,751.67
Sheriff's: Palantir Audit	\$ 11,541.95	\$ 11,541.95
Sybil Brand Commission Review	\$ 734.30	\$ 734.30
Voyager Card Usage Control Review	\$ 31,294.91	\$ 31,294.91
Wage Theft Regulation Enforcement	\$ 767.16	\$ 767.16
TOTAL COSTS OF COMPLETED ASSIGNMENTS	\$ 195,121.97	\$ 195,121.97
BOARD-DIRECTED ASSIGNMENTS - IN PROGRESS		
Contractor Alert Reporting Database (CARD)	\$ 6,717.12	\$ 7,000.00
IT Security Audits Board Motion	\$ 66,971.25	\$ 75,000.00
LA County Fair Association Review	\$ 173,278.86	\$ 190,000.00
Music Center Financial Audit	\$ 282,200.30	\$ 284,000.00
Proposition 47 Cost Savings - Board Order	\$ 239,543.06	\$ 264,000.00
Proposition 47 Recommendation Implementation	\$ -	\$ 52,000.00
Proposition A- Animal Care Services	\$ 17,917.96	\$ 44,000.00
Sheriff's: Capital Projects Funding Review ⁽²⁾	\$ 164,368.88	\$ 180,000.00
Sheriff's: Warehouse and Equipment Follow-Up Review	\$ 70,589.48	\$ 81,000.00
TOTAL COSTS OF IN-PROGRESS ASSIGNMENTS ⁽³⁾	\$ 1,021,586.91	\$ 1,177,000.00
TOTAL COSTS OF BOARD-DIRECTED ASSIGNMENTS	\$ 1,216,708.88	\$ 1,372,121.97
Budget Adjustment (BA) Processed in February	\$	873,000.00
Balance of the \$1 million in PFU Funding	\$	127,000.00
Estimated Costs Exceeding the \$1 million	\$	372,000.00
Total Estimated Board-Directed Assignments/Audit Costs for FY 2015-16	\$	1,372,000.00

⁽¹⁾ Contract cost of \$138,835 was encumbered in Fiscal Year (FY) 2014-15.

⁽²⁾ Carryover from FY 2014-15, initiated by a Board Motion to the Chief Executive Office (CEO). On 10/8/13, the Board approved the CEO's Board letter recommending funds for the Sheriff to implement jail reforms. The Board letter also included instructions that the Auditor perform quarterly reviews on the expenditures. Last fiscal year's cost was \$134,232.61.

⁽³⁾ In the second quarter, this total included \$100,000 of the contractor (Violence Intervention Program) cost for Probation's Youth Interviews. In the third quarter, this cost was removed to bill the Probation Department instead of billing against the PFU.